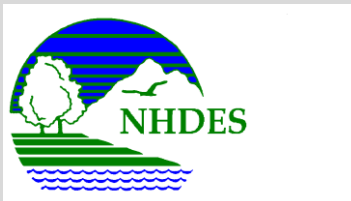


# Asset Management & Financial Planning Grant 2014-2015



## *Information & Application Packet*



**Drinking Water and Groundwater Bureau**  
*Capacity Development/Technical Assistance*

## 1. Introduction:

The New Hampshire Department of Environmental Services (DES) is pleased to announce the third round of the Public Water System *Asset Management Planning Grant* program. This grant is intended to assist community water systems in developing an asset management plan. The program will provide a 50% matching grant up to \$15,000 for water systems to conduct asset management initiatives for drinking water infrastructure.

A recent survey conducted by the American Society of Civil Engineers reported that significant investment in water infrastructure will be needed in the near future for communities to continue to provide safe and reliable drinking water to its customers. Asset management planning is a decision-making tool that helps managers determine how to operate and maintain their systems at the lowest life-cycle cost while maintaining the desired level of service. All water systems do this kind of work to varying degrees, and more coordination of these efforts helps systems to manage the risks that come when dealing with limited resources.

The Environmental Protection Agency identifies that asset management is centered on a framework of five core questions, which provide the foundation for many asset management best practices. They are: 1) What is the current state of the assets, 2) what is the required "sustainable" level of service, 3) which assets are critical to sustained performance, 4) what are the minimum life-cycle costs, and 5) what is the best long-term funding strategy. A growing number of water systems across the nation are developing and implementing plans that address each of these questions.

The goals of the Asset Management Planning Grant program are:

- to initiate an asset management program at community water systems that don't currently have a program or to enhance any program that have commenced but failed to reach its goal;
- to assist systems in developing an asset inventory with condition assessment;
- to review the current rates and determine if the existing structure supports future investment needs;
- to communicate these planning efforts to customers and decision makers.

The program will be funded using \$155,000 of the Drinking Water State Revolving Fund (DWSRF) loan program set-aside. Please note that in the future, applicants for DWSRF funding may receive priority ranking points for having implemented an asset management plan and DES may eventually require plans for funding eligibility.

## 2. Application:

The application is due by **November 28, 2014** and is available on page 5 of this document. A digital format of this application is available on the DES Asset Management webpage at <http://des.nh.gov/organization/divisions/water/AM/index.htm>

## 3. Questions:

For questions please contact: Luis Adorno - (603) 271-2472 or [Luis.adorno@des.nh.gov](mailto:Luis.adorno@des.nh.gov)

#### 4. Project Eligibility Criteria:

- *Eligible Systems:* Community Water Systems serving a population of 500 or greater.
- The grant award for any one project cannot exceed \$15,000.
- *Match:* In-kind services are allowed for the 50% match portion of the grant. Proper documentation of staff time will be required.
- Systems that have already begun to develop or expand an asset management plan may apply. DES will fund part or all of the continuation of any eligible efforts that are on-going at the time of application. DES will not contribute to work that has been completed prior to the grant approval.
- *Solicitation of Outside Services:* The use of outside services can be funded by this grant. Consultants should be selected based on their knowledge and experience developing asset management plans for water utilities.
- Projects funded by the grant program must include the following\*:
  - Asset inventory - with condition assessment and risk analysis;
  - Financial review - rate analysis and/or cost of service study; and
  - Implementation plan and -community outreach strategy..

\*If any of the above items have already been completed or revised in the last three years, other eligible elements include computerized maintenance management system including training for staff and decision makers (selectmen, boards, commissioners, etc.), GIS mapping, purchase of computers, software and other related mobile/field devices necessary for the implementation of an asset management program. The eligibility for the purchase of such equipment is dependent on the direct impact to the asset management program. When applying, systems should indicate where they are at in the process and address when each of these components will eventually occur.

The financial component should detail replacement costs for assets in the inventory and include a funding strategy for any improvements identified as being needed in the next 10 years. The communication plan should be done within a mutually agreed upon timeframe, to inform the staff and customers of the asset management plan and may be done in the annual Consumer Confidence Report, bill stuffers, website, email or by other methods to effectively reach all customers.

- An implementation plan addressing the use, the frequency of the review and revision process must be submitted with the application form. The plan must be done in coordination with the person(s) responsible for maintaining and executing the plan. Upon routine site visits, or at the time of applying for other financial assistance programs, DES may request to review the documentation related to the plan to insure the execution of such plan.

## 5. Grant Approval Process and Required Documents:

Once applications are received, they are reviewed by a team for eligibility and ranking. Ranking points are given for the projects that include any of the following elements:

| ELEMENT  | POINTS |
|--|--------|
| 1. Develops asset inventory and condition assessment*                                      | 15     |
| 2. Develops financial plan and/or funding strategy (based on findings of asset inventory)* | 10     |
| 3. Develops communication/public education and awareness plan regarding assets*            | 10     |
| 4. Develops GIS / mapping system that incorporates the asset inventory                     | 10     |
| 5. Provides asset management training for the entity's governing body and employees        | 10     |
| 6. Conducts a Cost of Service Study and/or rate analysis                                   | 10     |
| 7. Conducts management workshop to determine the desired Level of Service                  | 10     |
| 8. Reviews/optimizes operations and maintenance program and/or incorporated CMMS           | 5      |
| 9. Prepares budget with prioritization of capital projects based on asset management plan  | 5      |
| 10. Includes an assessment of the criticality of the assets (risk)                         | 5      |
| 11. System has not previously conducted any asset management activities                    | 5      |
| 12. Other elements determined to be eligible   | 5      |

*\*These required elements must either be included in the scope, be in progress, or have already been completed for eligibility.*

Each successful applicant will be notified in writing. Selected grant recipients must enter into a grant agreement with the state to receive funds which must then be approved by Governor and Council, a process which may take from three to eight weeks.

The following documentation will be required to be submitted to DES no later than April 30th, 2015 for final approval after projects are chosen for funding:

1. Grant Agreement Form - provided by applicant as detailed below.
2. Grant Agreement Exhibits - provided by DES based on your completed application
3. Proof of Match – Documentation of the 50% match.
4. Certificate of Authority - signed and notarized, identifying the person with authority to act on behalf of the applicant and individuals or body that granted the authority.
5. Vendor Registration – Required for setup as a vendor with the state. If applicable register online: <http://admin.state.nh.us/purchasing/vendorresources.asp>
6. Certificate of Good Standing - For privately owned water systems only (associations, cooperatives, LLC, others) – request from the N.H. Secretary of State. More information at [www.nh.gov/sos/corporate](http://www.nh.gov/sos/corporate).
7. Certificate of Liability Insurance (\$2,000,000 for bodily injury; \$500,000 property damage). A waiver to lower the minimum insurance requirement amount can be requested if necessary.
8. Banking information - For the electronic transfer of funds for reimbursement.

Once the grant has been approved by Governor and Council, the project can begin. A kick-off meeting for the project is strongly recommended which should include key representatives such as water system staff, decision makers, consultant (if applicable), and a representative from DES. Quarterly project status reports will be required throughout the project.

## ASSET MANAGEMENT PLANNING GRANT APPLICATION

### 1) General Information:

|  |                     |
|--|---------------------|
| PWS Name:  | PWS ID:             |
| Contact Person:  | Telephone:          |
| Email Address:   |                     |
| Grant Amount Requested:<br><i>(maximum 50% of project cost up to \$15,000)</i> | Total Project Cost: |

### 2) Budget:

Provide a task-by-task budget using the budget format below. Show the costs for each budget item to be paid for by the grant and those supported by matching funds. Provide commitment letters to document match. Optionally: attach scope of services. Use the table below to list the general project tasks and the cost breakdown for each task (add additional rows as necessary).

| <i>Task (provide brief description)</i> | <i>Funds provided by Grant</i> | <i>Matching Contribution</i> | <i>Total cost of task</i> |
|---|--------------------------------|------------------------------|---------------------------|
| Task 1:                                 | \$                             | \$                           | \$                        |
| Task 2:                                 | \$                             | \$                           | \$                        |
| Task 3:                                 | \$                             | \$                           | \$                        |
| Total:                                  | \$                             | \$                           | \$                        |

### 3) Project Description & Narrative: *Please submit a narrative that addresses the sections below.*

#### A. Project Description, Schedule, Objectives and Deliverables

Describe what you are going to do (project tasks), when you are going to do it, and what the end results will be (e.g. inventory, workshop, map, etc.). Include general time frame, objectives, deliverables that will be produced, and tasks needed to produce those deliverables.

#### B. Project Staff and Commitment

List the key staff who will be managing and working on the project and include appropriate qualifications including relevant training or references to successfully completed projects of similar scope and/or tasks. Consider who the stakeholders are and the importance of support and buy-in. Stakeholders may include staff and decision makers (selectmen, boards, commissioners, etc.).

**By November 28, 2014, submit one copy to:**

[luis.adorno@des.nh.gov](mailto:luis.adorno@des.nh.gov)

or by mail to: NHDES, ATTN: Luis Adorno, PO BOX 95 Concord, NH 03302-0095